



INVESTMENT PORTFOLIO SUMMARY

For the Quarter Ended

September 30, 2023

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the City of Lufkin is in compliance with the Public Funds Investment Act and the City of Lufkin Investment Policy and Strategies.

City Manager

Director of Finance

Senior Accountant

Disclaimer: These reports were compiled using information provided by the City. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields, and do not account for investment advisor fees.

Annual Comparison of Portfolio Performance

FYE Results by Investment Category:

Asset Type	September 30, 2022			September 30, 2023		
	Ave. Yield	Book Value	Market Value	Ave. Yield	Book Value	Market Value
DDA/MMA/MMF/Pools	1.45%	\$ 19,743,426	\$ 19,743,426	3.95%	\$ 20,372,688	\$ 20,372,688
Securities/CDs	1.93%	48,369,718	47,999,023	4.37%	58,584,048	58,429,281
Totals		\$ 68,113,145	\$ 67,742,449		\$ 78,956,737	\$ 78,801,970
Fourth Quarter-End Yield	1.79%			4.26%		

Average Quarter-End Yields (1):

	2022 Fiscal Year	2023 Fiscal Year
Lufkin	0.86%	3.64%
Rolling Three Month Treasury	1.06%	4.95%
Rolling Six Month Treasury	1.01%	4.77%
TexPool	0.90%	4.74%

(1) Average Quarterly Yield calculated using quarter-end report average yield and adjusted book value.

Summary

Quarter End Results by Investment Category:

Asset Type	June 30, 2023		September 30, 2023		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
DDA/MMA/MMF/Pools	\$ 20,650,763	\$ 20,650,763	\$ 20,372,688	\$ 20,372,688	3.95%
Securities/CDs	65,161,839	64,921,615	58,584,048	58,429,281	4.37%
Totals	\$ 85,812,603	\$ 85,572,378	\$ 78,956,737	\$ 78,801,970	4.26%

Current Quarter Average Yield (1)

Total Portfolio	4.26%
Rolling Three Month Treasury	5.54%
Rolling Six Month Treasury	5.38%
TexPool	5.32%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio	3.64%
Rolling Three Month Treasury	4.95%
Rolling Six Month Treasury	4.77%
TexPool	4.74%

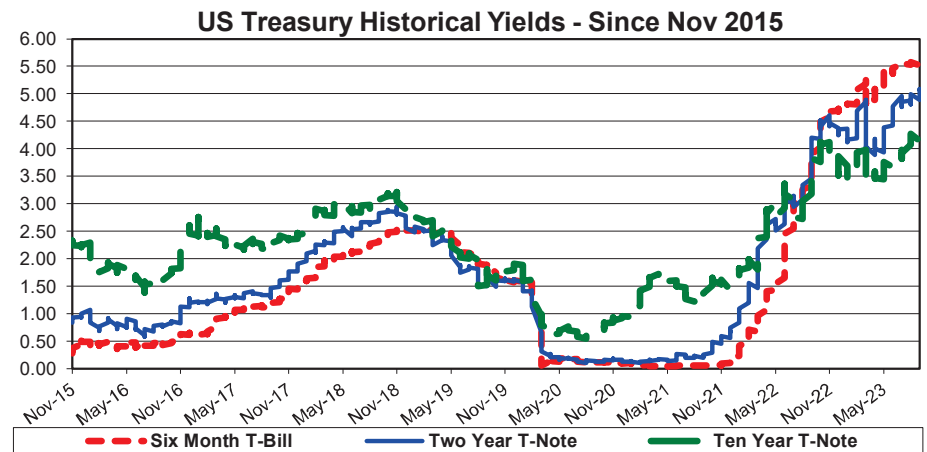
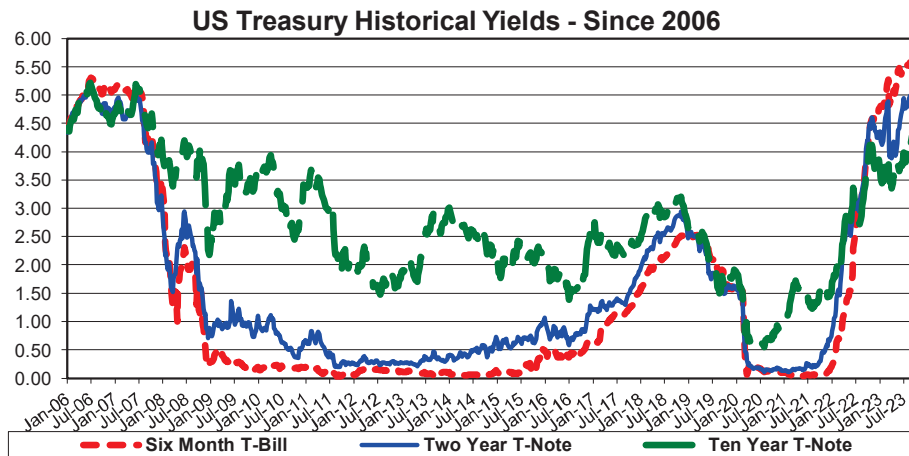
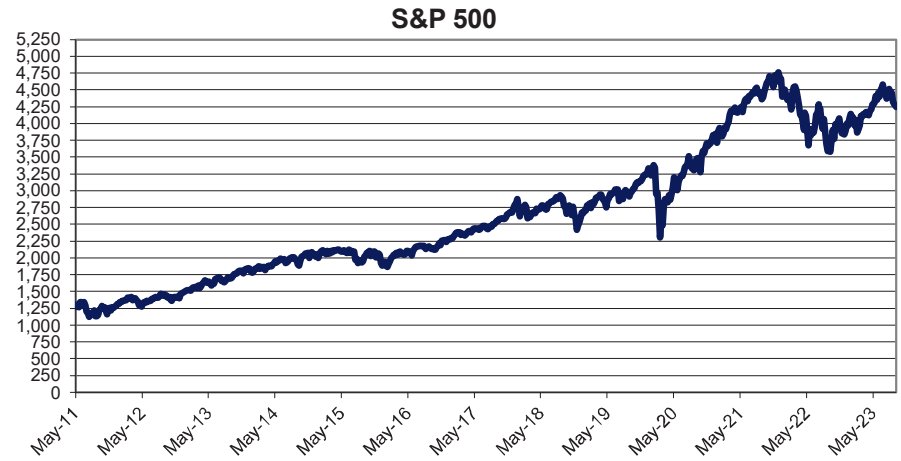
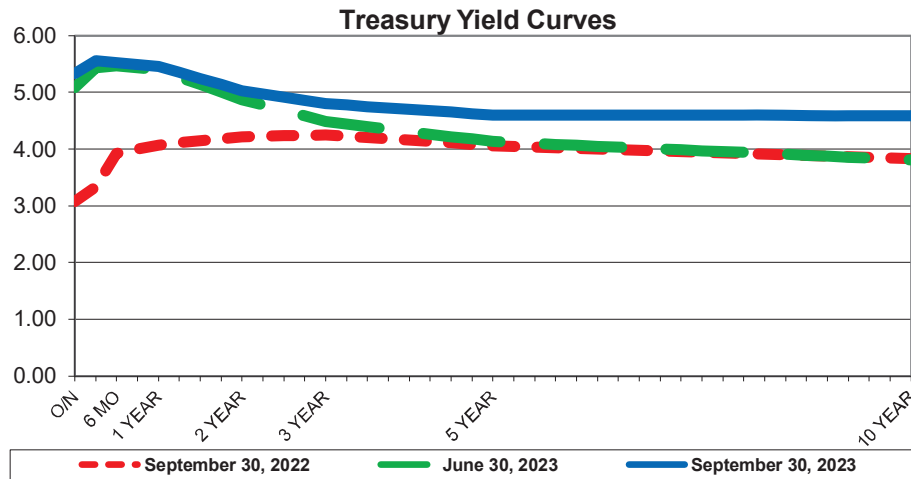
(1) **Current Quarter Average Yield** - based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) **Fiscal Year-to-Date Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

9/30/2023

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 0.25% to 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). A pause is projected at least until the September 19-20 meeting, with any future actions data-dependent. Second Quarter 2023 GDP posted 2.1%. September Non-Farm Payroll surged up 336k new jobs, above the 170k projection. The S&P Stock Index continued to slide below 4,300. The yield curve drifted higher on the long end. Crude Oil traded +/--\$85 per barrel. Inflation drifted lower but still over the FOMC 2% target (Core PCE +/-3.9% and CPI +/-3.7%). The slowing China and German economies, Ukrainian/Russian and Israeli/Hamas conflicts continue to weight on future outlooks.



Investment Holdings
September 30, 2023

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
DDA (3)		0.64%	10/01/23	09/30/23	\$ 6,547,499	\$ 6,547,499	\$ 1	\$ 6,547,499	1	0.64%
DDA Debit Card		0.75%	10/01/23	09/30/23	101,684	101,684	1	101,684	1	0.75%
Southside Bank MMA		5.61%	10/01/23	09/30/23	4,658,915	4,658,915	1	4,658,915	1	5.61%
NexBank IntraFi MMA		5.55%	10/01/23	09/30/23	8,414,903	8,414,903	1	8,414,903	1	5.55%
Federated Govt-Premier MMF	AAAm	5.26%	10/01/23	09/30/23	40,369	40,369	1	40,369	1	5.26%
TexPool	AAAm	5.32%	10/01/23	09/30/23	445,112	445,112	1	445,112	1	5.32%
TexSTAR	AAAm	5.31%	10/01/23	09/30/23	164,208	164,208	1	164,208	1	5.31%
East West Bank CD		4.28%	10/19/23	10/19/22	2,082,666	2,082,666	100.00	2,082,666	19	4.28%
East West Bank CD		4.52%	10/31/23	10/30/22	2,085,484	2,085,484	100.00	2,085,484	31	4.52%
Southside Bank CD		4.50%	11/05/23	11/05/22	2,068,073	2,068,073	100.00	2,068,073	36	4.58%
FFCB	Aaa/AA+	0.55%	11/24/23	02/02/22	2,000,000	1,998,220	99.31	1,986,200	55	1.15%
East West Bank CD		4.75%	11/24/23	11/24/22	2,093,039	2,093,039	100.00	2,093,039	55	4.75%
CapTex Bank CD		4.85%	11/29/23	11/29/22	2,082,273	2,082,273	100.00	2,082,273	60	4.85%
East West Bank CD		4.74%	12/02/23	12/02/22	2,080,120	2,080,120	100.00	2,080,120	63	4.74%
East West Bank CD		4.72%	12/13/23	12/14/22	3,115,438	3,115,438	100.00	3,115,438	74	4.83%
Bank OZK CD		4.88%	12/23/23	03/23/23	2,049,708	2,049,708	100.00	2,049,708	84	5.00%
Wallis Bank CD		4.85%	02/02/24	02/03/23	5,120,976	5,120,976	100.00	5,120,976	125	4.94%
Southside Bank CD		3.32%	02/02/24	08/02/22	4,134,462	4,134,462	100.00	4,134,462	125	3.32%
Southside Bank CD		3.32%	02/05/24	08/05/22	2,067,231	2,067,231	100.00	2,067,231	128	3.32%
UST Note	Aaa/AA+	2.38%	02/29/24	02/02/22	2,000,000	2,009,757	98.75	1,975,080	152	1.18%
Bank OZK CD		4.88%	03/23/24	03/23/23	2,049,708	2,049,708	100.00	2,049,708	175	5.00%
East West Bank CD		5.71%	03/25/24	09/25/23	2,001,878	2,001,878	100.00	2,001,878	177	5.88%
UST Note	Aaa/AA+	2.50%	04/30/24	06/02/22	2,000,000	1,998,593	98.30	1,966,020	213	2.62%
FHLB	Aaa/AA+	2.88%	06/14/24	06/02/22	2,000,000	2,002,536	98.08	1,961,680	258	2.69%
Third Coast Bank CD		5.60%	06/29/24	06/29/23	3,042,345	3,042,345	100.00	3,042,345	273	5.72%
East West Bank CD		5.59%	07/05/24	07/06/23	2,086,417	2,086,417	100.00	2,086,417	279	5.75%
Texas Bank CD		4.50%	08/28/24	07/28/23	245,000	245,000	100.00	245,000	333	4.50%
FHLB	Aaa/AA+	3.50%	09/13/24	09/13/22	2,000,000	1,996,920	98.11	1,962,280	349	3.67%
Southside Bank CD		4.60%	09/20/24	03/20/23	2,046,647	2,046,647	100.00	2,046,647	356	4.68%
Third Coast Bank CD		5.40%	09/29/24	06/29/23	3,040,833	3,040,833	100.00	3,040,833	365	5.51%
Southside Bank CD		4.65%	03/20/25	03/20/23	2,047,157	2,047,157	100.00	2,047,157	537	4.73%
Third Coast Bank CD		5.10%	06/29/25	06/29/23	3,038,564	3,038,564	100.00	3,038,564	638	5.20%
					\$ 78,950,710	\$ 78,956,737		\$ 78,801,970	146	4.26%

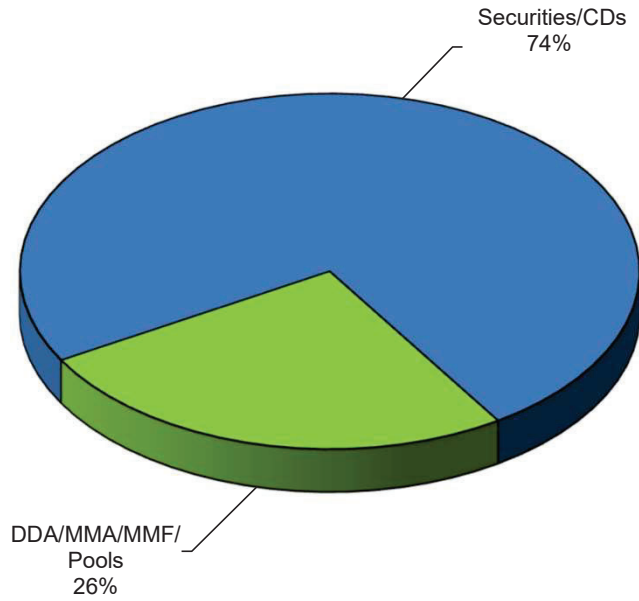
(1) (2)

(1) **Weighted average life** - For purposes of calculating weighted average life, TexPool, TexSTAR, and Money Market investments are assumed to have a one day maturity.

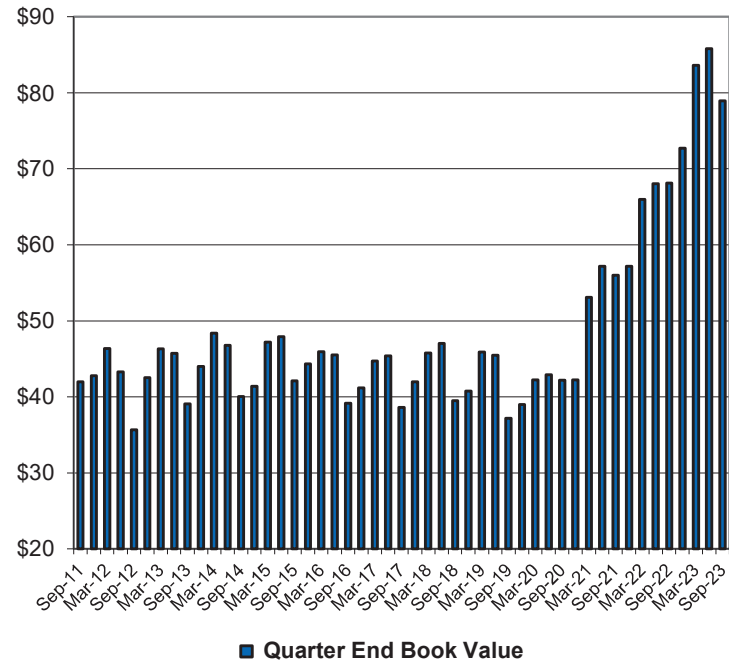
(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.

(3) **Earnings Credit Rate** - The City's DDA accrues earnings credit to offset service charges and fees. Rate estimated.

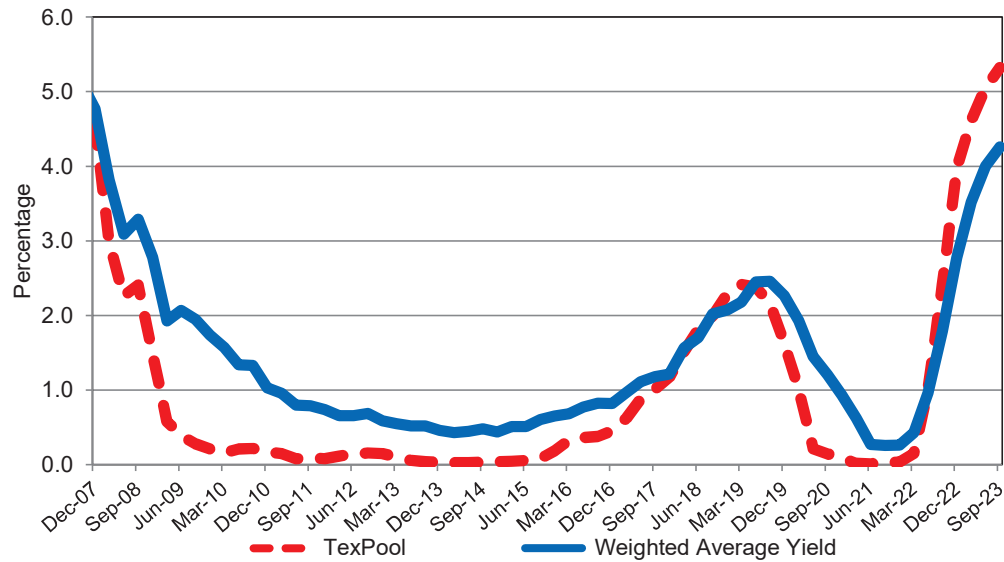
Portfolio Composition



Total Portfolio (Millions)



Total Portfolio Performance



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/23	Increases	Decreases	Book Value 09/30/23	Market Value 06/30/23	Change in Market Value	Market Value 09/30/23
DDA	0.64%	10/01/23	\$ 6,164,645	\$ 382,854	\$ —	\$ 6,547,499	\$ 6,164,645	\$ 382,854	\$ 6,547,499
DDA Debit Card	0.75%	10/01/23	101,003	681	—	101,684	101,003	681	101,684
Southside Bank MMA	5.61%	10/01/23	4,596,212	62,703	—	4,658,915	4,596,212	62,703	4,658,915
NexBank IntraFi MMA	5.55%	10/01/23	8,299,835	115,069	—	8,414,903	8,299,835	115,069	8,414,903
Federated Govt-Premier MMF	5.26%	10/01/23	31,951	8,417	—	40,369	31,951	8,417	40,369
TexPool	5.32%	10/01/23	1,295,060	—	(849,948)	445,112	1,295,060	(849,948)	445,112
TexSTAR	5.31%	10/01/23	162,058	2,150	—	164,208	162,058	2,150	164,208
East West Bank CD	2.90%	07/06/23	2,058,029	—	(2,058,029)	—	2,058,029	(2,058,029)	—
Texas Bank CD	0.50%	07/28/23	246,531	—	(246,531)	—	246,531	(246,531)	—
East West Bank CD	3.03%	08/04/23	2,055,715	—	(2,055,715)	—	2,055,715	(2,055,715)	—
East West Bank CD	3.03%	08/04/23	2,055,715	—	(2,055,715)	—	2,055,715	(2,055,715)	—
UST Note	1.05%	08/31/23	2,005,695	—	(2,005,695)	—	1,991,800	(1,991,800)	—
Third Coast Bank CD	5.82%	09/27/23	3,000,000	—	(3,000,000)	—	3,000,000	(3,000,000)	—
East West Bank CD	4.28%	10/19/23	2,060,359	22,307	—	2,082,666	2,060,359	22,307	2,082,666
East West Bank CD	4.52%	10/31/23	2,061,861	23,623	—	2,085,484	2,061,861	23,623	2,085,484
Southside Bank CD	4.58%	11/05/23	2,044,879	23,194	—	2,068,073	2,044,879	23,194	2,068,073
FFCB	1.15%	11/24/23	1,995,254	2,966	—	1,998,220	1,962,160	24,040	1,986,200
East West Bank CD	4.75%	11/24/23	2,068,131	24,908	—	2,093,039	2,068,131	24,908	2,093,039
CapTex Bank CD	4.85%	11/29/23	2,057,024	25,249	—	2,082,273	2,057,024	25,249	2,082,273
East West Bank CD	4.74%	12/02/23	2,055,465	24,655	—	2,080,120	2,055,465	24,655	2,080,120
East West Bank CD	4.83%	12/13/23	3,078,596	36,842	—	3,115,438	3,078,596	36,842	3,115,438
Bank OZK CD	5.00%	12/23/23	2,024,702	25,007	—	2,049,708	2,024,702	25,007	2,049,708
Wallis Bank CD	4.94%	02/02/24	5,059,130	61,846	—	5,120,976	5,059,130	61,846	5,120,976
Southside Bank CD	3.32%	02/02/24	4,100,151	34,311	—	4,134,462	4,100,151	34,311	4,134,462
Southside Bank CD	3.32%	02/05/24	2,050,076	17,155	—	2,067,231	2,050,076	17,155	2,067,231
UST Note	1.18%	02/29/24	2,015,663	—	(5,906)	2,009,757	1,960,540	14,540	1,975,080
Bank OZK CD	5.00%	03/23/24	2,024,702	25,007	—	2,049,708	2,024,702	25,007	2,049,708
East West Bank CD	5.88%	03/25/24	—	2,001,878	—	2,001,878	—	2,001,878	2,001,878
UST Note	2.62%	04/30/24	1,997,986	608	—	1,998,593	1,952,260	13,760	1,966,020
FHLB	2.69%	06/14/24	2,003,434	—	(898)	2,002,536	1,951,400	10,280	1,961,680
Third Coast Bank CD	5.72%	06/29/24	3,000,000	42,345	—	3,042,345	3,000,000	42,345	3,042,345
East West Bank CD	5.75%	07/05/24	—	2,086,417	—	2,086,417	—	2,086,417	2,086,417
Texas Bank CD	4.50%	08/28/24	—	245,000	—	245,000	—	245,000	245,000
FHLB	3.67%	09/13/24	1,996,112	808	—	1,996,920	1,955,760	6,520	1,962,280
Southside Bank CD	4.68%	09/20/24	2,023,189	23,458	—	2,046,647	2,023,189	23,458	2,046,647
Third Coast Bank CD	5.51%	09/29/24	3,000,000	40,833	—	3,040,833	3,000,000	40,833	3,040,833
Southside Bank CD	4.73%	03/20/25	2,023,441	23,716	—	2,047,157	2,023,441	23,716	2,047,157
Third Coast Bank CD	5.20%	06/29/25	3,000,000	38,564	—	3,038,564	3,000,000	38,564	3,038,564
TOTAL / AVERAGE	4.26%		\$ 85,812,603	\$ 5,422,571	\$(12,278,436)	\$ 78,956,737	\$ 85,572,378	\$ (6,770,408)	\$ 78,801,970

FUND EQUITY IN POOLED CASH AND INVESTMENTS

FUND NO	FUND NAME	6/30/2023	9/30/2023	Quarterly Change
101	GENERAL FUND	\$ 25,117,476	\$ 13,771,804	\$ (11,345,672)
206	CONVENTION CENTER-HOTEL/MOTEL TAX FUND	204,317	203,057	(1,261)
207	CONVENTION SERVICES FUND	528,122	698,738	170,616
217	PROPERTY INSURANCE LOSS FUND	104,602	(6,910)	(111,512)
221	SPECIAL RECREATION FUND	(56,293)	(26,251)	30,042
225	PINES THEATER SPECIAL EVENTS FUND	65,430	67,510	2,080
226	ELLEN TROUT ZOO FUND	2,684,767	2,730,131	45,364
227	POLICE FORFEITURE FUND	280,060	284,585	4,525
228	COURT SECURITY/TECHNOLOGY FUND	93,533	92,684	(849)
230	POLICE DARE CONTRIBUTION FUND	109	109	-
232	DRAINAGE MITIGATION	37,245	37,101	(144)
234	COMMUNITY DEV/DWNTWN IMPROVEMENT	23	23	0
241	ANIMAL CONTROL - KURTH GRANT	80,012	87,344	7,332
242	ANIMAL'S ATTIC GIFT SHOP	117,336	121,863	4,527
250	POLICE GRANTS & PROPERTY	(9,463)	17,949	27,412
251	FIRE GRANTS	2,779	2,764	(15)
252	FEMA FUNDED GRANTS	26,423	26,294	(128)
253	CARES ACT FUND	5,707,522	5,369,587	(337,935)
290	ECONOMIC DEVELOPMENT	2,326,491	2,370,766	44,275
295	LCVB FUND	796,046	769,506	(26,540)
300	GF STREET CONSTRUCTION FUND	1,863,187	7,838,294	5,975,107
308	CONVENTION CENTER - EDI	30,198	30,128	(70)
313	2010 CAPITAL IMPROVEMENTS FUND	2,155	2,150	(5)
314	2012 CAPITAL IMPROVEMENTS FUND	(2,931)	(2,931)	-
315	2020 CAPITAL IMPROVEMENTS FUND	3,610,482	3,588,766	(21,716)
340	TEXAS CAPITAL GRANT FUND	53	53	0
341	ECONOMIC DEVELOPMENT PROJECTS/GRANTS	(271,775)	107,518	379,293
348	SOLID WASTE DEPRECIATION	809,133	819,983	10,850
357	2009 WATER/SEWER CO'S	16,451	16,454	4
358	2013 WWATER/SEWER CO'S	465,435	443,110	(22,324)
380	WATER & WASTEWATER DEPRECIATION	11,922,648	12,182,569	259,922
401	GENERAL OBLIGATION DEBT SERVICE	5,992,332	2,710,015	(3,282,317)
451	REVENUE BOND DEBT SERVICE	1,763	1,755	(7)
501	WATER/WASTEWATER FUND	9,764,844	10,648,692	883,849
548	SOLID WASTE DISPOSAL FUND	4,112,614	4,628,309	515,694
615	HEALTH INSURANCE - ACTIVE	1,504,114	1,110,540	(393,574)
616	RETIREEES HEALTH INSURANCE FUND	42,644	58,734	16,090
641	EQUIPMENT ACQ & REPLACEMENT FUND	4,170,346	4,331,166	160,820
642	TECHNOLOGY AMORTIZATION	1,140,553	999,100	(141,453)
747	MEDICAL SAVINGS FUND	3,657	3,657	-
	TOTAL POOLED CASH & INVESTMENTS	\$ 83,284,435	\$ 76,136,715	\$ (7,147,720)

Investment Holdings - EDC
September 30, 2023

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
TexPool - EDC	AAAm	5.32%	10/01/23	09/30/23	\$ 5,807,992	\$ 5,807,992	1.00	\$ 5,807,992	1	5.32%
					<u>\$ 5,807,992</u>	<u>\$ 5,807,992</u>		<u>\$ 5,807,992</u>	<u>1</u>	<u>5.32%</u>
									(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, TexPool, TexSTAR, and Money Market investments are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for TexPool, TexSTAR, and Money Market investments.